



TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

HEADQUARTERS: P.O. BOX 33695 DENVER, COLORADO 80233-0695 303-452-6111

November 14, 2018

Via Electronic Mail (jasen.bronec@dmea.com)

Mr. Jasen Bronec
Chief Executive Officer
Delta-Montrose Electric Association
P.O. Box 910
Montrose, Colorado 81402-0910

Dear Jasen:

In light of the Board's denial of DMEA's Board Policy 316 appeal, I am writing to comply with the Board's instructions to Tri-State staff.

In its August 23, 2018 decision, the Board noted that DMEA can withdraw as a Tri-State member while continuing to honor its wholesale electric purchase contract. The Board therefore directed its staff to negotiate equitable terms and conditions for DMEA to withdraw from Tri-State, while continuing to honor all of its contractual obligations to Tri-State. The Board also directed staff to consider recommending withdrawal terms that include a buyout of DMEA's contract, so long as the assumptions underlying any such buyout are equitable while resolving all reasonable doubts in a manner designed to protect the financial interests of remaining Tri-State members.

As we discussed on the phone, my staff and I are prepared to meet with you to discuss equitable terms and conditions under which DMEA might withdraw from membership in Tri-State. We are prepared to discuss withdrawal terms with and without a contract buyout. Please give me a call so that we can find a mutually convenient time for our discussions.

Sincerely,

Micheal S. McInnes
Chief Executive Officer

MSM/db

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